



Alton Coal Development, LLC

463 North 100 West, Suite 1

Cedar City, Utah 84720

Phone (435) 867-5331 • Fax (435) 867-1192

C/025/005 Incoming
cc: Dana
Daron

September 8, 2015

Daron R. Haddock
Coal Program Manager
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RECEIVED

SEP 09 2015

DIV. OF OIL, GAS & MINING

Re: **Annual Sage-grouse Report, Alton Coal Development, LLC, Coal Hollow Mine, Kane County, Utah, C/025/0005, Reply to Task ID # 4934 and to Task ID #4962.**

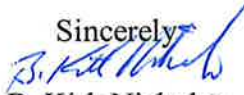
Dear Mr. Haddock:

As we discussed on Friday, the Division continues to attempt to expand the funding obligations of Alton Coal Development, LLC ("ACD") for sage grouse monitoring, contrary to their contractual obligations and to the terms of their Annual Sage Grouse Report. On behalf of ACD, we request a meeting with you and Associate Director Dean to resolve this issue. As set forth in ACD's letter dated July 29, 2015, ACD contested Task ID # 4962 and the alleged deficiency requiring funding for three collars for GPS monitoring by July 29, 2015 and the further requirement in the years following that ACD fund, on an annual basis, two GPS collars or \$8,000 whichever is greater.

Despite contesting this requirement, this funding issue has been raised again as a deficiency in the Division's letter dated September 3, 2015 relating to Task ID# 4962. The 2014 Annual Sage Grouse Report limits further funding to a cap of \$8,000 per year in addition to the cost of retaining Dr. Petersen to conduct monitoring. The attached contract with Dr. Frey documents ACD's obligations to provide two collars to monitor the sage grouse and to cover Dr. Frey's monitoring costs through 2016. ACD will adhere to this contract and to the \$8,000 annual cap to fund sage grouse monitoring. The DWR can use this funding in any appropriate manner, however, ACD will not fund aerial surveys or GPS collars in addition to providing this annual sum.

We would appreciate a meeting with the Division to discuss this matter. Please do not hesitate to contact me if you have any questions 435-691-1551.

Sincerely,



B. Kirk Nicholes
Environmental Specialist



Alton Coal Development, LLC

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Cedar City, Utah 84720

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November 20, 2014

Dr. Nicole Frey
Utah State University
Extension Wildlife Specialist
BI Continuing Education Coordinator
Sent via E-mail: Shandra Frey <nicki.frey@usu.edu>

Re: Letter of Award

Hello Nicki,

Alton Coal Development, LLC (ACD) would like to proceed with utilizing your services through USU to monitor Sage-grouse in the Sink Valley/Ford Pasture area. Based on information provided in the attached Statement of work, the cost to ACD would be \$ 23,543. As costs are incurred, Utah State University (USU) will bill ACD. Invoices to be sent:

Attention Kirk Nicholes
Alton Coal Development, LLC
435 N 100 W, Suite 1
Cedar City, Utah 84721

Sincerely,

B. Kirk Nicholes
Environmental Specialist
Alton Coal Development, LLC

B. K. K. K.
11/20/14

Project Title: ACD Grouse
Principal Investigator: Dr. Nicole Frey
Project Duration: August 2014 - December 2016

Statement of Work

Greater sage-grouse are currently listed as a Candidate species for listing under the Endangered Species Act. As such, this species is of special management concern in Utah, particularly in the Panguitch Wildlife Management Area. Within this management area are the southernmost population of birds in the species distribution. Alton Coal Development, LLC (ACD) has been extracting coal in the vicinity of the southern-most population of Greater sage-grouse for several years. In response to the mining activity, it appears that birds have shifted the movements around the mine, but are still carrying out their natural history activity in the area.

I propose to study this population of Greater sage-grouse to assist with determining their movements, so that ACD can effectively implement mitigation activities. In 2013, I began a study of grouse in the Panguitch WMA; in 2014 this study included bird trapped adjacent to current ACD mining activity. ACD personnel assisting in the capture of grouse during spring of 2014. The current study presents ACD the opportunity to participate further by adding to the number of satellite PPT transmitters that are deployed on grouse using the Sink Valley/Ford Pasture area.

Working with ACD personnel, I will purchase 2 satellite transmitters similar to those already deployed in my study of the Panguitch WMA. This fall, August - September 2014, I will deploy the 2 transmitters and manage the data that is collection from them. This data will be pooled with the data collect via the concurrent study for a holistic analysis of this population of birds. However, to meet the requirements of ACD mitigation, I will provide them with an annual report by October 1 of each year, as well as periodic updates as requested. Additionally, a final report will be provided by December 2016, reporting on a) the results of their data specifically, and b) the summation of all data collect on grouse in the Sink Valley area.

Budget:

Principal Investigator Wages: 2,288
Principal Investigator Benefits: 1,058
Total Salary: \$3,346

Travel: \$2,400

Materials: \$8,000
Other Direct Costs: \$2,880
Total Materials and Others \$10,880

Total USU Direct Costs \$16,626
Facilities and Admin costs (41.6%) \$6,916
Total Costs: \$23,543

Budget Summary:

B. Caldwell
11/20/14

Personnel:

This project will fund 72 hours of time for the principal investigator @ approximately \$30/hour (\$2288). This time includes efforts spent trapping grouse and deploying transmitters, ground truthing locations, analyzing data, and preparing presentations and reports in 2015. Additionally, the project will support the benefits associated with this effort, at the Utah State University standard rate of 46% of the funded wages (\$1058). The total personnel costs proposed are \$3,346.

Travel:

I am projecting \$2,400 in travel costs. The request includes mileage round trip from Sink Valley, UT to deploy transmitters at an average mileage rate of \$0.5/mile. Additionally, it projects travel to Sink Valley and the surrounding areas for 1 ground truth event per month for 24 months. In actuality, the transmitter locations may be investigated more often; the cost is shared with the concurrent research project.

Materials:

\$8,000 is requested to purchase 2 transmitters @ \$4,000 a piece.

Other Direct Costs:

We are requesting \$2,880 to support the transmission costs of 2 transmitters for 24 months, at an estimated cost of \$60/month/transmitter.

Facilities and Administration:

The indirect cost rate for the time period of the project is 41.6%, as established by Utah State University. This results in an estimated cost of \$6,916.